

**FISCAL NOTE**  
**SB 3372 - HB 3373**

February 28, 2008

**SUMMARY OF BILL:** Authorizes, under certain circumstances, a retired member of the consolidated retirement system to return to service in certain year-round positions while continuing to receive his or her retirement allowance.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$10,350,400/Annual Amortized Cost**

**Increase Local Expenditures\* - \$2,859,200/Annual Amortized Cost**

**Increase Federal/Other Expenditures - \$2,020,500/Annual Amortized Cost**

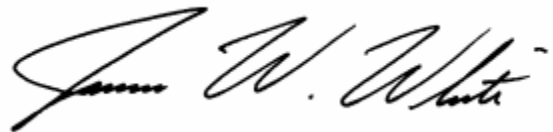
Assumptions:

- Ten percent of members (approximately 7,000 teachers and 6,500 state employees and/or higher education employees) who meet the service requirement will return to work.
- Increases lump sum pension liability by approximately \$151,875,000.
- Annual cost to amortize the additional liability over 20 years is estimated to be \$15,230,100.
- Funding ratio for state employee cost is 75% state, 25% federal.
- Administrative costs of \$143,100 are included in the first year cost.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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